



Hydro One Networks Inc.

**Application for electricity transmission rates for the
period from January 1, 2020 to December 31, 2022**

**PROCEDURAL ORDER NO. 1
May 30, 2019**

Hydro One Networks Inc. (Hydro One Networks) filed a custom incentive rate-setting application with the Ontario Energy Board (OEB) on March 21, 2019 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that Hydro One Networks charges for electricity transmission, to be effective January 1, 2020 and for each following year through to December 31, 2022.

A Notice of Hearing was issued on April 12, 2019.

Interventions

The following groups applied for intervenor status:

- Anwaatin Inc. (Anwaatin)
- Association of Major Power Consumers in Ontario (AMPCO)
- Association of Power Producers of Ontario (APPrO)
- Brookfield Renewable (Brookfield)
- Building Owners and Managers Association, Greater Toronto (BOMA)
- Canadian Manufacturers & Exporters (CME)
- Consumers Council of Canada (CCC)
- Energy Probe Research Foundation (Energy Probe)
- Environmental Defence Canada Inc. (Environmental Defence)
- Independent Electricity System Operator (IESO)
- London Property Management Association (LPMA)
- Michipicoten First Nation (MFN)
- Ontario Power Generation Inc. (OPG)
- Power Workers' Union (PWU)
- School Energy Coalition (SEC)
- TransAlta Corporation (TransAlta)
- Vulnerable Energy Consumers Coalition (VECC)

The following groups also applied for cost eligibility: Anwaatin, AMPCO, APPrO, BOMA, CCC, CME, Energy Probe, Environmental Defence, LPMA, MFN, SEC and VECC.

Hydro One Networks did not object to the requests.

All participants that requested intervenor status in this proceeding are granted intervenor status. The list of intervenors is attached as Schedule A to this Order. Each of Anwaatin, AMPCO, BOMA, CCC, CME, Energy Probe, Environmental Defence, LPMA, MFN, SEC and VECC are eligible to apply for cost awards pursuant to the OEB's *Practice Direction on Cost Awards* (Practice Direction).

With regard to APPrO's request for cost eligibility, APPrO states its primary interest in this proceeding relates to the proposed Export Transmission Service (ETS) tariff and "that it may also explore Hydro One's proposed capital program". APPrO's membership comprises generators who it says are significant exporters of electricity. APPrO states that although under section 3.05 of the Practice Direction generators are not eligible for costs awards, as a party that represents the direct interest of customers (generators and exporters), it is eligible for cost awards under section 3.06 of the Practice Direction.

Section 3.07 of the Practice Direction allows that the OEB may, in special circumstances, find that a party which falls into one of the categories listed in section 3.05 is eligible for a cost award in a particular process. Section 3.06 provides that a customer may be eligible for costs, notwithstanding section 3.05. The OEB finds that APPrO is eligible for costs, but only to the extent that APPrO represents the direct interests of its members who pay transmission rates for Hydro One Network services. Therefore, APPrO is eligible to apply for cost awards for issues related to the proposed ETS tariff and capital programs in so far as they satisfy with the above-noted condition. When APPrO files its cost claim it will be expected to explain how the issues for which it is seeking cost awards relate to the direct interests of its members who pay transmission rates for Hydro One Network services.

Cost eligible intervenors should be aware that the OEB will not generally allow the recovery of costs for the attendance of more than one representative of any party, unless a compelling reason is provided when cost claims are filed. It is also expected that all cost eligible intervenors will cooperate to the maximum extent possible to avoid duplication.

Some intervenors have asked that the OEB defer its decision on the type of hearing until after the discovery phase. The OEB will make its decision on the type of hearing at a later date.

Issues List

It is the OEB's expectation that parties will be best positioned to identify issues relevant to Hydro One Networks' application after the applicant has responded to interrogatories. Hydro One Networks, OEB staff and the intervenors shall develop and OEB staff shall file a proposed issues list for the OEB's consideration. The OEB will approve an issues list after the conclusion of the Technical Conference.

Interrogatories

At this time, provision will be made for written interrogatories.

Parties should examine the value presented by the proposed investments as opposed to focussing only on the costs. Parties should also assess the fit between the applicant's plans and its stated objectives, and consider how the plans contribute to positive outcomes for customers, in particular those outcomes that arise from the asset management decisions reflected in the applicant's transmission system plan. The OEB will consider the entire consolidated five year transmission system plan to assess the planning and pacing proposals of the applicant and whether the test year requests are appropriately aligned with the transmission system plan. The OEB will also consider productivity and benchmarking results in assessing cost forecasts, bill impacts and transmitter performance.

Parties should not engage in detailed exploration of items that do not appear to be material. Parties should use the materiality thresholds documented in Chapter 2 of the Filing Requirements as a guide. In making its decision on cost awards, the OEB will consider whether intervenors made reasonable efforts to ensure that their participation in the hearing was focused on material issues.

Parties should consult sections 26 and 27 of the OEB's *Rules of Practice and Procedure* regarding required naming and numbering conventions and other matters related to interrogatories.

Application Update

Hydro One Networks intends to update its application to replace 2018 forecast numbers with actuals following the finalization of its 2018 audited financial statements.¹ Hydro

¹ Application cover letter dated March 21, 2019

One Networks is directed to advise the OEB by **June 4, 2019** as to when this update will be filed.

Expert Evidence

If any cost eligible intervenor plans to file expert evidence in this proceeding, such intervenors shall file a letter with the OEB describing the nature of the evidence, whether the expert evidence will be commissioned jointly with other intervenors, and the estimated cost. The estimated cost should include an explanation of any assumptions regarding the purpose and scope of the participation of the expert in the proceeding, and should include an estimate of any incremental time that will be spent by the intervenor's counsel or any other consultant(s) in relation to the expert evidence.

The OEB is also making provision for OEB staff to file a letter relating to any expert evidence OEB staff plans to file. After reviewing this material, the OEB will consider whether and to what extent any costs associated with the participation of any expert(s) or the preparation of any expert report(s) will be eligible for cost recovery in accordance with the OEB's *Practice Direction on Cost Awards*.

It is necessary to make provision for the following matters related to this proceeding. Further procedural orders may be issued by the OEB.

IT IS THEREFORE ORDERED THAT:

Application Updates

1. Hydro One Networks shall file a letter advising the OEB as to when the application updates will be filed on or before **June 4, 2019**.

Interrogatories

2. OEB staff and intervenors shall request any relevant information and documentation from Hydro One Networks that is in addition to the evidence already filed, by written interrogatories filed with the OEB and served on all parties by **July 3, 2019**.
3. Hydro One Networks shall file with the OEB complete written responses to all interrogatories and serve them on all intervenors by **August 2, 2019**.

Technical Conference

4. Following its review of Hydro One Networks' responses to interrogatories, the OEB will determine if a technical conference is required. If required, a transcribed technical conference will be held on **August 12, 2019** starting at 9:30 a.m. in the OEB's Offices at 2300 Yonge Street, 25th floor, Toronto to clarify any matters arising from the interrogatories only. If required, the technical conference will continue on **August 13, 2019**. Parties intending to participate are to notify Hydro One Networks, and copy all parties, of the topic areas for questioning by **August 7, 2019**.
5. Any technical conference undertakings shall be filed with the OEB no later than **August 19, 2019**.

Issues List

6. OEB staff shall file a proposed issues list, or, alternatively, shall advise the OEB in writing that the parties and OEB staff have been unable to reach an agreement on a draft issues list by **August 20, 2019**.

Expert Evidence

7. OEB staff shall inform the OEB by letter of its plans to file expert evidence no later than **July 10, 2019**.
8. Cost eligible intervenors that plan to file expert evidence shall inform the OEB by letter no later than **July 17, 2019**.
9. OEB staff and any intervenors permitted to file expert evidence shall file such evidence with the OEB, and provide a copy to Hydro One Networks and intervenors no later than **August 22, 2019**.
10. If any party is seeking information and material with respect to any evidence filed by OEB staff or any intervenor that is in addition to the evidence filed with the OEB, and that is relevant to this proceeding, that information shall be requested by written interrogatories filed with the OEB, and copied to all parties by **September 5, 2019**.
11. Any party that receives interrogatories on its evidence shall file with the OEB complete responses to the interrogatories and serve them on all parties by **September 19, 2019**.

All filings to the OEB must quote the file number, EB-2019-0082, be made in searchable/unrestricted PDF format electronically through the OEB's web portal at <https://pes.ontarioenergyboard.ca/eservice>. Two paper copies must also be filed at the OEB's address provided below. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <https://www.oeb.ca/industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a USB memory stick in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Registrar at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Martin Davies at Martin.Davies@oeb.ca, and OEB Counsels, James Sidlofsky at James.Sidlofsky@oeb.ca and Ljuba Djurdjevic at Ljuba.Djurdjevic@oeb.ca.

ADDRESS

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DATED at Toronto, **May 30, 2019**

ONTARIO ENERGY BOARD

By delegation, before: Christine E. Long

Original signed by

Christine E. Long
Registrar
Office of the Registrar

SCHEDULE A
PROCEDURAL ORDER NO. 1
HYDRO ONE NETWORKS INC.
EB-2019-0082
APPLICANT & LIST OF INTERVENORS
MAY 30, 2019

**Hydro One Networks Inc.
EB-2019-0082**

APPLICANT & LIST OF INTERVENORS

May 30, 2019

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May 30, 2019

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APPLICANT & LIST OF INTERVENORS

May 30, 2019

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